

BEFORE THE IOWA DEPARTMENT OF REVENUE
HOOVER STATE OFFICE BUILDING
DES MOINES, IOWA

IN THE MATTER OF

CURATIVE TALENT LLC
500 3RD ST
SAN FRANCISCO CA 94107-6803

SALES/USE/EXCISE

DECLARATORY ORDER

DOCKET NO. 913661

Pursuant to a Petition for Declaratory Order (“Petition”) filed with the Iowa Department of Revenue (“Department”) by Curative Talent LLC (hereinafter “Petitioner”) on April 29, 2025, and in accordance with Iowa Code section 17A.9 (2025) and Iowa Administrative Code rule 701—4.7(17A,99G,123,421,17A), “Declaratory order—in general,” the Director issues the following order.

I. FACTS

The findings of fact are based on the Petition submitted to the Department, additional information requested from the Petitioner, and publicly available information on Petitioner’s website.¹ Petitioner is an out-of-state talent agency that provides staffing services to medical facilities. Petitioner’s website has job boards where job seekers can search for jobs by state.² Job seekers can choose whether they are looking for a full-time position, part-time position, or for a locum tenens arrangement where they temporarily fill in for a medical worker while they are unavailable. Petitioner also works with medical facilities by searching directly for qualified job seekers to fill empty positions.³ Petitioner has no offices in Iowa, but does place temporary workers in Iowa. Resp. to Req. for Additional Info. (July 16, 2025).

¹ When considering a petition for declaratory order, “[t]he department may solicit additional information from the petitioner... [or] from any other person on the questions raised.” Iowa Admin. Code r. 701—4.7(7).

² Curative Recruiting by Doximity, <https://curativetalent.com/> (last visited Aug. 6, 2025).

³ For Facilities, <https://curativetalent.com/> (last visited Aug. 6, 2025).

In the present situation, Petitioner has employed a temporary medical worker and has placed them at a medical facility in Iowa. The temporary medical worker is a Certified Registered Nurse Anesthesiologist (CRNA) carrying out medical services such as administering anesthesia and monitoring patients for in and outpatient procedures. Pet. at 1, No. 913661 (April 29, 2025). The temporary medical worker is employed and paid weekly by the Petitioner, and works under the supervision of the medical facility. Resp. to Req. for Additional Info. (July 16, 2025). The medical facility pays the Petitioner weekly. *Id.* The Petitioner charges the medical facility for services provided and includes sales tax. *Id.* The Petitioner states the medical facility is currently withholding sales tax because it doesn't believe that it owes sales tax under Iowa law. *Id.*

II. QUESTIONS PRESENTED

The Petition presents the following issues:

1. Does the Petitioner qualify as a private employment agency for purposes of charging Iowa sales tax?
2. Are services performed by the temporary medical workers subject to Iowa sales tax?

III. STANDARD OF REVIEW

A. Declaratory Orders under the Iowa Administrative Procedure Act

Iowa's Administrative Procedure Act ("IAPA") was enacted "to provide a minimum procedural code for the operation of all state agencies when they take action affecting the rights and duties of the public." Iowa Code § 17A.1(2). Under the IAPA, "[a]ny person may petition an agency for a declaratory order as to the applicability to specified circumstances of a statute, rule, or order within the primary jurisdiction of the agency." *Id.* at § 17A.9(1)(a). The IAPA also describes agency rights and responsibilities with respect to declaratory order proceedings. *Id.* at § 17A.9(8). Pursuant to Iowa Code section 17A.9(2), the Department adopted Iowa

Administrative Code rule 701—4.7, which outlines department-specific rules governing declaratory orders.

The purpose of a declaratory order is to provide a “generally available means for persons to obtain reliable information about agency administered law as it applies to their particular circumstances.” *Sierra Club Iowa Chapter v. Iowa Dep’t of Transp.*, 832 N.W.2d 636, 647 (2013) (citing Arthur Earl Bonfield, Amendments to Iowa Administrative Procedure Act, Report on Selected Provisions to Iowa State Bar Association and Iowa State Government, 1–8 (1998)). Declaratory orders are not contested cases that “entitle[] parties affected by the agency action to an adversarial hearing” in order to “adjudicate disputed facts pertaining to particular individuals in specific circumstances.” *Greenwood Manor v. Iowa Dep’t of Pub. Health, State Health Facilities Council*, 641 N.W.2d 823, 834 (Iowa 2002); *see also* Iowa Code § 17A.12. Instead, the IAPA “contemplates declaratory rulings by administrative agencies on purely hypothetical sets of facts.” *City of Des Moines v. Pub. Emp’t Relations Bd.*, 275 N.W.2d 753, 758 (Iowa 1979).

As such, “[t]he procedure established by section 17A.9 allows persons to seek formal opinions on the effect of future transactions and arrange their affairs accordingly.” *Bennett v. Iowa Dep’t of Nat. Res.*, 573 N.W.2d 25, 26 (Iowa 1997). Declaratory orders issued by an administrative agency do, however, have “the same status and binding effect as any final order issued in a contested case proceeding.” Iowa Code § 17A.9(7). The Department’s rules governing declaratory orders are consistent with this understanding of the role of declaratory orders in administrative procedure. *See* Iowa Admin. Code r. 701—4.7.

B. Statutory Construction and Interpretation of Tax Statutes

“When engaging in statutory interpretation,” the Department “first examine[s] the language of the statute and determine[s] whether it is ambiguous.” *Kay-Decker v. Iowa State Bd. of Tax Review*, 857 N.W.2d 216, 223 (Iowa 2014) (citing *Rolfe State Bank v. Gunderson*, 794 N.W.2d 561, 564 (Iowa 2011)). “Generally, we presume words used in a statute have their

ordinary and commonly understood meaning.” *Id.* (quoting *McGill v. Fish*, 790 N.W.2d 113, 119 (Iowa 2010)). “[L]egislative intent is expressed by what the legislature has said, not what it could or might have said. When a statute’s language is clear, we look no further for meaning than its express terms. Intent may be expressed by the omission, as well as the inclusion . . . of statutory terms” *Hawkeye Land Co. v. Iowa Utils. Bd.*, 847 N.W.2d 199, 210 (Iowa 2014) (quoting *State v. Beach*, 630 N.W.2d 598, 600 (Iowa 2001)).

In addition to applying the general principles of statutory construction, “[s]tatutes which impose taxes are construed liberally in favor of the taxpayer and strictly against the taxing body. It must appear from the language of a statute that the tax assessed against the taxpayer was clearly intended.” *Iowa Auto Dealers Ass’n v. Iowa Dep’t of Revenue*, 301 N.W.2d 760, 762 (Iowa 1981).

IV. DISCUSSION

A. Taxability of Services Performed by a Private Employment Agency

The first question presented in the Petition is whether the Petitioner qualifies as a private employment agency for purposes of Iowa sales tax. Petitioner argues that the medical facility owes the Petitioner Iowa sales tax for both the initial fee for the placement of the temporary medical worker and the subsequent and ongoing hours worked by the temporary medical worker. However, Petitioner has indicated that the medical facility does not believe that they owe Iowa sales tax to the Petitioner. Iowa Code section 423.2(5) imposes “a tax of six percent upon the sales price from the furnishing of services as defined in section 423.1.” Iowa Code § 423.2(5). Iowa Code section 423.1 defines services as “all acts or services rendered, furnished, or performed, other than services used in processing of tangible personal property for use in retail sales or services, for an employer who pays the wages of an employee for a valuable consideration by any person engaged in any business or occupation specifically enumerated in section 423.2.” *Id.* § 423.1(54). The six percent sales tax on services is imposed only on certain enumerated services listed in Iowa Code section 423.2(6). Included in this list of enumerated

services are “[p]rivate employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state” *Id.* § 423.2(6)(aq).

Iowa Code section 423.2(6)(aq) is implemented by Iowa Administrative Code rule 701—211.13. This rule defines a private search agency as an entity that is “engaged in the business of providing listings of available employment, counseling others with respect to future employment, or aiding another in any way to procure employment.” Iowa Admin. Code r. 701—211.13(1). Whether the agency is providing services to an employee or an employer, the service is subject to tax. *Id.* However, when the search agency places an employee so that their principal place of business is outside of Iowa, that service is not subject to tax. *Id.* r. 701—211.13(2). According to the facts above, Petitioner’s website provides listings of available employment for prospective job seekers. Petitioner also works directly with facilities or job seekers to find qualified employment. These facts demonstrate that Petitioner is often engaged in the business of placing employees at medical facilities, and generally fits within the definition of a private employment agency under Iowa Administrative Code rule 701—211.13. When employees are placed in the state of Iowa, that service is subject to sales tax under Iowa Code section 423.2(6)(aq).

In the present situation, Petitioner has placed a temporary medical worker at a medical facility in Iowa. Whether that placement is subject to Iowa sales tax in this situation depends on the specific facts, and whether it meets the requirements of Iowa Administrative Code rule 701—211.13. According to the facts presented by the Petitioner, the Petitioner is responsible for employing and paying the temporary medical worker. The temporary medical worker is employed by the Petitioner, but only works under the supervision of the medical facility. In order for the service to be taxable under Iowa Administrative Code rule 701—211.13, Petitioner must have engaged in “aiding another in any way to procure employment.” Under the facts presented, the temporary medical worker is employed by the Petitioner, not the medical facility. So the

Petitioner has not aided the temporary medical worker to procure employment, nor have they aided the medical facility in finding an employee. Therefore, the Petitioner has not performed a service subject to tax under Iowa Code section 423.2(6)(aq) and Iowa Administrative Code rule 701—211.13.

B. Taxability of Services Performed by the Temporary Medical Worker

The second question posed in the Petition asks whether the services performed by the temporary medical worker are subject to Iowa sales tax. As concluded above, Petitioner did not perform a taxable service by placing the temporary medical worker at the medical facility. Petitioner is not performing any additional services for the medical facility. Any additional services are being performed by the temporary medical worker. The Petition states that the primary activities of the temporary medical employees are “administering anesthesia and monitoring patients for in and outpatient procedures.” Pet. at 1, No. 913661 (April 29, 2025). The Director may refuse to issue an Order when the conclusion would “necessarily determine the legal rights, duties, or responsibilities of other persons who have not joined in the petition, intervened separately, or filed a similar petition.” Iowa Admin. Code r. 701—4.7(10)“a”(9). Since the temporary medical worker is the one performing the services, not the Petitioner, determining whether those services are subject to sales tax would be determining the sales tax responsibility of an individual that is not a party to this Order. For the purposes of this Order, the Director will only determine the taxability of the services performed by the Petitioner for the medical facility.

C. Conclusion

In summary, Petitioner is a private employment agency that provides employment services. The work of private employment agencies is a taxable service under Iowa Code section 423.2(6)(aq) and Iowa Administrative Code rule 701—211.13. However, under the facts provided, the temporary medical worker is employed by the Petitioner, so the Petitioner has not placed an employee in the state of Iowa and has not performed a taxable service. In regard to the services performed by the temporary medical worker, since the services are not being

performed by the Petitioner, no tax is due to the Petitioner by the medical facility, and for the purpose of this Order the Director refuses to issue an Order on the taxable relationship between the medical facility and the temporary medical worker.

ORDER

THEREFORE, based on the facts presented, foregoing reasoning, and applicable provisions of the law, the Director finds that since the Petitioner has not placed an employee in the state of Iowa they have not performed a service subject to sales tax. Additionally, the Director refuses to issue an Order on the taxability of the services performed by the temporary medical worker because the medical worker is not a party to this Order.

Issued at Des Moines, Iowa this 27th day of August, 2025.

IOWA DEPARTMENT OF REVENUE

By Mary Mosiman
Mary Mosiman, Director